

Cafeteria Plan is No Ruling Section

A series of revenue procedures are reviewed and reissued annually that outline various areas in which rulings or determination letters may not be issued by the Service. The Revenue Procedures that provide information for cafeteria plan and related issues are Rev. Proc. 2002-3, 2002-1 IRB 117 (Jan. 7, 2002) and Rev. Proc. 2002-4, 2002-1 IRB 127 (Jan. 7, 2001).

Section 3.01(14) of Rev. Proc. 2002-3 provides that rulings and determination letters will not be issued with respect to whether amounts used to provide group-term life insurance under section 79, accident and health benefits under section 105 and 106, and dependent care assistance programs under section 129 are includible in the gross income of participants and considered “wages” for purposes of section 3401, 3121, and 3306 when the benefits are offered through a cafeteria plan.

Rev. Proc. 2002-4 provides that the Service does not issue letter rulings or determination letters on whether a cafeteria plan satisfies the requirements of section 125.